

Financial Report

ST. CHARLES COUNCIL ON AGING, INC.

Hahnville, Louisiana

June 30, 2002



(A Professional Corporation)
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May 19, 2003

Latisha A. Lewis
Program Auditor
Governor's Office of Elderly Affairs
P. O. Box 80374
Baton Rouge, LA 70898-0374

Re: FY 2002 CPA Audit Report
St. Charles Council on Aging, Inc.

Dear Ms. Lewis:

In accordance with your request per our May 8th telephone conversation, enclosed is a June 30, 2002 re-issued audited financial report for the St. Charles Council on Aging, Inc. being filed by your requested due date of May 22, 2003.

The financial report is being re-issued with the following changes:

1. Note 7 of the Notes to Financial Statements, page 22, Changes in Fixed Assets – Office furniture and equipment had a typographical error in the Balance June 30, 2002 column. The correct balance is \$15,029, not \$17,029 as previously reported.
2. Note 12 of the Notes to Financial Statements, page 23, Changes in Long-Term Debt – Accumulated, unpaid vacation had a typographical error in the Additional amount. The correct amount is \$3,112, not \$3,122 as previously reported.
3. On Schedule 2, Combining Schedule of Program Revenue, Expenditures, and Changes in Fund Balances – Special Revenue Funds, page 28, Title III D In Home Services had a Fund Balance of \$153 at year end. This was due to a prepaid expense paid by the general fund, with general fund resources, for the Title III D fund. Current year III D funds cannot be used for prepaid expenses to be consumed in the next year. Therefore, this prepaid expense, and related fund balance, was moved back to the general fund. This general fund assets will be transferred to the Title III D fund in the year that it is to be consumed.

If you have any questions, please call or e-mail.

Thank you,

A handwritten signature in blue ink, appearing to read "T.S. Kearns".

Timothy S. Kearns, MBA, CPA

cc: St. Charles Council on Aging, Inc.
Louisiana DOTD
United Way of St. Charles
Louisiana Legislative Auditor
Cynthia Aucoin
St. Charles Parish Government

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Hahnville, Louisiana

June 30, 2002

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Charles Council on Aging, Inc.
Hahnville, Louisiana

We have audited the accompanying general purpose financial statements of the St. Charles Council on Aging, Inc., Hahnville, Louisiana, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Charles Council on Aging, Inc., Hahnville, Louisiana, as of June 30, 2002, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2002 on our consideration of the St. Charles Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the St. Charles Council on Aging, Inc., taken as a whole. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and is not a required part of the general purpose financial statements. The accompanying supplemental information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

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Thibodaux, Louisiana
November 5, 2002



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
St. Charles Council on Aging, Inc.
Hahnville, Louisiana

We have audited the general purpose financial statements of the St. Charles Council on Aging, Inc., Hahnville, Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 5, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Charles Council on Aging, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated November 5, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Charles Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Council's board of directors, management, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "T.S. Kearns & Co.", written over a light blue horizontal line.

Thibodaux, Louisiana
November 5, 2002



MANAGEMENT LETTER

November 5, 2002

Management
St. Charles Council on Aging, Inc.
Hahnville, Louisiana

To the Management:

We have audited the general purpose financial statements of the St. Charles Council on Aging, Inc., Hahnville, Louisiana, as of and for the year ended June 30, 2002, and have issued our reports thereon dated November 5, 2002.

We noted certain immaterial instances of noncompliance that, in our opinion, do not warrant being reported in our audit reports. However, to assist Management, we communicate these instances in this management letter.

1. In regards to funding from the Governor's Office of Elderly Affairs, the GOEA requires the Council on Aging to amend its budgets in cases where actual expenditures for a particular cost category exceed budgeted amounts by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures. Also, expenditures cannot legally exceed appropriations on an individual fund level. Schedule 3 of the financial report discloses several instances when actual expenditures exceeded the budgets by more than the amount allowed by the GOEA.

If you have any questions, or if we can assist you in any way, please call us at 985-447-8507.

Thank you,

A handwritten signature in cursive script, appearing to read "T.S. Kearns & Co.", written in dark ink.

T.S. Kearns & Co., CPA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

June 30, 2002

With Comparative Totals for the Year Ended June 30, 2001

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-Term Debt	2002	2001
ASSETS AND OTHER DEBITS						
Assets:						
Cash and investments	\$ 716,621	\$ 3,541	\$ -	\$ -	\$ 720,162	\$ 673,182
Property tax receivable	15,892	-	-	-	15,892	62,732
Interest receivable	1,322	-	-	-	1,322	6,829
Governmental grants receivable	-	3,044	-	-	3,044	2,783
Home Repairs receivable	2,610	-	-	-	2,610	-
Caregiver receivable	-	3,169	-	-	3,169	-
Accounts receivable	2,422	2,191	-	-	4,613	1,358
Van purchase deposit	-	-	-	-	-	-
Prepaid expenses	153	-	-	-	153	6,284
Due from special revenue funds	8,404	-	-	-	8,404	2,783
Fixed assets	-	-	328,218	-	328,218	349,711
Other debits:						
Amount to be provided to retire long-term d	-	-	-	8,332	8,332	5,220
Total assets and other debits	<u>\$ 747,424</u>	<u>\$ 11,945</u>	<u>\$ 328,218</u>	<u>\$ 8,332</u>	<u>\$ 1,095,919</u>	<u>\$ 1,110,882</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 16,707	\$ -	\$ -	\$ -	\$ 16,707	\$ 40,787
Payroll taxes payable	3,456	-	-	-	3,456	1,059
Unremitted employee payroll deductions	1,047	-	-	-	1,047	962
Federal income tax withheld	977	-	-	-	977	-
State income tax withheld	535	-	-	-	535	617
Due to general fund	-	8,404	-	-	8,404	2,783
Long-term debt:						
Accumulated unpaid vacation	-	-	-	8,332	8,332	5,220
Total liabilities	<u>22,722</u>	<u>8,404</u>	<u>-</u>	<u>8,332</u>	<u>39,458</u>	<u>51,428</u>
Fund Equity and Other Credits:						
Fund balance:						
Reserved for:						
Prepaid expenses	153	-	-	-	153	6,284
Unreserved:						
Designated for emergency medical ass	471	-	-	-	471	589
Designated for safe harbor	-	-	-	-	-	393
Undesignated	724,078	3,541	-	-	727,619	702,477
Investment in general fixed assets	-	-	328,218	-	328,218	349,711
Total fund equity and other credits	<u>724,702</u>	<u>3,541</u>	<u>328,218</u>	<u>-</u>	<u>1,056,461</u>	<u>1,059,454</u>
Total liabilities, fund equity and other cr	<u>\$ 747,424</u>	<u>\$ 11,945</u>	<u>\$ 328,218</u>	<u>\$ 8,332</u>	<u>\$ 1,095,919</u>	<u>\$ 1,110,882</u>

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

With Comparative Totals for the Year Ended June 30, 2001

			Totals (Memorandum Only)	
	General	Special Revenue	2002	2001
REVENUE				
Property tax	\$ 635,814	\$ -	\$ 635,814	\$ 620,898
Intergovernmental	21,779	216,947	238,726	280,576
Public support	1,601	44,183	45,784	49,832
Investment income	20,914	-	20,914	49,378
Program service fees	20,249	-	20,249	5,994
Miscellaneous	-	5	5	2,077
Total revenues	<u>700,357</u>	<u>261,135</u>	<u>961,492</u>	<u>1,008,755</u>
EXPENDITURES				
Current:				
Personnel	9,452	375,948	385,400	386,339
Fringe	976	37,829	38,805	34,330
Travel	35	2,659	2,694	2,803
Operating services	5,199	197,920	203,119	210,576
Operating supplies	1,972	49,837	51,809	61,296
Other cost	29,416	1,635	31,051	53,677
Full service contracts	-	92,695	92,695	85,949
Meals	-	129,291	129,291	137,362
Capital outlay	5,781	-	5,781	89,036
Utility assistance	-	3,985	3,985	7,824
Lease expense	2,487	-	2,487	-
Total expenditures	<u>55,318</u>	<u>891,799</u>	<u>947,117</u>	<u>1,069,192</u>
Excess of revenues over (under) expenditures	645,039	(630,664)	14,375	(60,437)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	633,879	633,879	669,961
Operating transfers out	(633,879)	-	(633,879)	(669,961)
Proceeds from the sale of vehicles	4,125	-	4,125	600
Total other financing sources (uses)	<u>(629,754)</u>	<u>633,879</u>	<u>4,125</u>	<u>600</u>
Excess of revenues and other sources over (under) expenditures and other uses	15,285	3,215	18,500	(59,837)
FUND BALANCES				
Beginning of year	<u>709,417</u>	<u>326</u>	<u>709,743</u>	<u>774,810</u>
End of year	<u>\$ 724,702</u>	<u>\$ 3,541</u>	<u>\$ 728,243</u>	<u>\$ 714,973</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUE			
Property tax	\$ 633,500	\$ 635,814	\$ 2,314
Intergovernmental	21,779	21,779	0
Public support	1,451	1,601	150
Investment income	15,500	20,914	5,414
Program service fees	20,400	20,249	(151)
Miscellaneous	-	-	-
Total revenues	692,630	700,357	7,727
EXPENDITURES			
Current:			
Personnel	8,903	9,452	(549)
Fringe	948	976	(28)
Travel	31	35	(4)
Operating services	5,026	5,199	(173)
Operating supplies	1,933	1,972	(39)
Other cost	31,748	29,416	2,332
Capital outlay	1,880	5,781	(3,901)
Lease expense	2,500	2,487	13
Total expenditures	52,969	55,318	(2,349)
Excess of revenues over (under) expenditures	639,661	645,039	5,378
OTHER FINANCING SOURCES (USES)			
Operating transfers in	16,118	-	(16,118)
Operating transfers out	(669,828)	(633,879)	35,949
Proceeds from the sale of vehicles	-	4,125	4,125
Total other financing sources (uses)	(653,710)	(629,754)	23,956
Excess of revenues and other sources over (under) expenditures and other uses	(14,049)	15,285	<u>\$ 29,334</u>
FUND BALANCES			
Beginning of year	709,417	709,417	
End of year	<u>\$ 695,368</u>	<u>\$ 724,702</u>	

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPE

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUE			
Intergovernmental	\$ 220,859	\$ 216,947	\$ (3,912)
Public support	39,138	44,183	5,045
Miscellaneous	-	5	5
Total revenues	259,997	261,135	1,138
EXPENDITURES			
Current:			
Personnel	380,703	375,948	4,755
Fringe	39,861	37,829	2,032
Travel	2,645	2,659	(14)
Operating services	201,917	197,920	3,997
Operating supplies	51,197	49,837	1,360
Other cost	1,904	1,635	269
Full service contracts	100,626	92,695	7,931
Meals	134,494	129,291	5,203
Utility assistance	5,538	3,985	1,553
Total expenditures	918,885	891,799	27,086
Excess of revenues over (under) expenditures	(658,888)	(630,664)	28,224
OTHER FINANCING SOURCES (USES)			
Operating transfers in	631,931	633,879	1,948
Operating transfers out	-	-	-
Total other financing sources (uses)	631,931	633,879	1,948
Excess of revenues and other sources over (under) expenditures and other uses	(26,957)	3,215	\$ 30,172
FUND BALANCES			
Beginning of year	326	326	
End of year	\$ (26,631)	\$ 3,541	

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

June 30, 2002

Introduction

The purpose of the St. Charles Council on Aging, Inc. (the Council) is to improve the quality and availability of services for the elderly in St. Charles Parish by stimulating public interest of the issues affecting the aging. In pursuit of this purpose, the Council collects facts and statistics and makes special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in St. Charles Parish; keeps abreast of the latest developments in these fields of activity throughout Louisiana and the United States; interprets its findings to the parish and state; provides for a mutual exchange of ideas and information on the parish and state level; conducts public meetings; makes recommendations for needed improvements and additional resources; coordinates and monitors the services of other local agencies serving the aging population of St. Charles Parish; assists and cooperates with the Governor's Office of Elderly Affairs (GOEA); and makes recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of St. Charles Parish include providing meals, nutritional education, information and assistance, legal assistance, material aid, outreach, in-home services, home repairs, recreation, utility assistance, operating senior centers, and transportation.

Note 1 Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana secretary of State upon approval by the Governor's office of Elderly Affairs. The St. Charles Council on Aging, Inc. is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and the State of Louisiana. Other entities that provide the Council with funds may impose additional compliance requirements.

A board of directors, consisting of 13 voluntary members, who serve three-year terms, governs the council. The board of directors is comprised of representatives of St. Charles Parish's general public. Board members are elected by the general membership of the Council. Membership in the Council is open to all residents of St. Charles Parish who have reached the age of majority. Membership fees are not charged.

Based on the criteria set forth in Section 2100 of Governmental Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, the St. Charles Council on Aging, Inc. is not a component unit of another primary government nor does it have any component units which are related to it. Accordingly, the Council has presented its financial statements as a separate special-purpose government because (a) it has a separately elected governing body, (b) it is legally separate, and (c) it is fiscally independent of other state and local governments.

b. Presentation of statements:

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the *Louisiana Governmental Audit Guide*.

c. Fund Accounting:

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and two broad fund categories (account groups).

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

- General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the

liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

The following programs comprise the Council's General Fund:

Local

Revenues, such as; donations from the general public, allocations from the United Way, proceeds from a property tax assessment by St. Charles Parish, interest income earned on unrestricted fund balances, and net proceeds from the sale of fixed assets, have been recorded in the local program of the General Fund. These funds are not legally restricted to any special use and may be used at the Council's discretion. The Council's management has designated certain revenues to pay for expenditures associated with emergency medical assistance needs. Transactions relating to this service are accounted for in the local programs.

Expenditures which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

Local funds are also used as transfers to other programs in cases where expenditures exceed revenues. In addition, capital outlay expenditures are usually paid for with local funds.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old. In fiscal year 2002, the Council transferred the PCOA funds to the Title III B fund to provide additional funds to pay for program expenditures.

Local Transportation

The Local Transportation program of the General Fund accounts for revenues earned from providing local transportation services and the expenditures incurred to produce those revenues. The transportation services provided in this program differ from those provided in the Title III B program in that recipients of these services do not have to be at least 60 years old, which is required of Title III B participants.

Safe Harbor

The Safe Harbor program was started by the council in fiscal year 1998. It is a program funded by the local United Way. The purpose is to provide funding to pay for repairs to homes occupied by elderly people who do not have the financial and manpower resources to make repairs to their homes. Presently, the Council

is paying for the materials to make these repairs and coordinating volunteers to perform the repair work. The Council has set a \$2,000 per household limit for how much it will pay towards each repair. Special exceptions can be made for amounts above \$2,000. During the year, the Council helped 25 people at a total cost of \$11,750.

- Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The following funds comprise the Council's special Revenue funds:

Title III B Services Fund

The Title III B Services Fund is used to account for funds which are to provide various supportive social services to the elderly. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

▪ Outreach	158	units
▪ Case Management	4	units
▪ Material Aid	4,122	units
▪ Home Repair	3,731	units
▪ Transportation	17,676	units
▪ Recreation	18,874	units
▪ Utility Assistance	36	units
▪ Information and Assistance	784	units
▪ Assisted Transportation	177	units
▪ Personal Care	3,993	units
▪ Homemaker	2,812	units
▪ Legal Assistance	69	units
▪ Medical Alert	616	units

Title III C Area Agency Administration Fund

The Title III C Area Agency Administration Fund is used to account for some of the costs of administering the Special Programs for the Aging. These funds are allocated to help pay for the administrative costs associated with operating the Title III C programs.

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. The council maintains meal sites in Hahnville, Luling, New Sarpy, Norco, and Paradis. During the year the Council served 15,763 meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. Using Title III C-2 funds, the Council served 41,572 meals during the year to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities. The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." During the year the Council provided 653 units of wellness service to eligible participants in this program.

Title III E Fund

Title III E National Family Caregiver Support Program Fund is used to account for funds which are used to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

▪ NFCSP Information and Assistance	8	units
▪ NFCSP In-Home Respite	378	units
▪ NFCSP Material Aid	6	units
▪ NFCSP Personal Care	28	units
▪ NFCSP Sitter Services	46	units

U.S.D.A. Fund

The U. S. D. A. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis (about 54.5 cents/meal) for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these nutrition programs.

Senior Center Fund

The Senior Center Fund is used to account for the operating cost of the Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council has senior centers in Hahnville, Luling, New Sarpy, Norco, and Paradis.

Audit Fund

The Audit Fund is used to account for funds received from the Governor's office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging (LACOA) which in turn remits funds relating to St. Charles Parish to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. St. Charles Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs. The Council used these funds to help pay for the costs of operating senior centers.

d. Account Groups:

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds".

General Fixed Assets

The fixed assets used in governmental fund type operations of the Council are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as capital outlay expenditures in the government fund types when purchased.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities, including capital lease obligations, are accounted for in the General Fund because the Council intends to use unrestricted resources to pay them and no legal mandate exists to establish a debt service fund.

e. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources.

f. Transfers and Interfund Loans

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables or payables.

g. Budget Policy

The Council follows these procedures in establishing the budgetary data reflected in Exhibits C and D of these financial statements.

- The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.

- Projections are made of property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- The Council's executive director prepares a proposed budget based on the funding levels provided by GOEA and other agencies, as well as expected revenues from property tax revenues and public support, and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final compliance approval for the funds that it will provide to the Council.
- Most budgetary appropriations, particularly those involving funds received from GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date when the budgetary appropriations will lapse.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There were two amendments during the fiscal year, which were approved on December 13, 2001, and May 28, 2002. The budget amendment was approved by the Council's board of directors and by GOEA using a similar procedure as the approval of the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs (GOEA) for changes relating to funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- Expenditures cannot legally exceed appropriations on an individual fund level.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities may not be budgeted, particularly if they are deemed to be immaterial by management.

h. Cash:

Cash is reported at carrying amount which equals its fair value.

i. Investments:

Investments in certificates of deposit are reported at cost because they are "nonparticipating" interest-earning investment contracts as discussed in GASB 31. The term "nonparticipating" means that the investment value does not vary with market interest rate changes. Investments which include securities traded on a national or international exchange are valued based on their last reported sales price (fair value). Investments that do not have an established market are reported at estimated fair value.

The Council also invests funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. For financial statement purposes, LAMP investments are valued and reported at fair value. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

j. Prepaid Expenditures:

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of grant agreements. The fund balances in the governmental fund types have been reserved for the prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

k. Fixed Assets:

Assets which cost at least \$1,000 and which have an estimated useful life of at least 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets. Prior to the year ending June 30, 2001, assets which cost at least \$250 were capitalized as fixed assets.

Capital leases are recorded at the inception of the lease as capital outlay expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Asset and General Long-term Debt accounts groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date. The portion of the payments applicable to principal, determined by using interest rates

implicit in the lease, is reported as a reduction of the capitalized lease obligation in the General Long-term Debt account group.

I. Reservation and Designations of Fund Balances:

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner. Designations of fund balances can be changed at the discretion of the Council's board of directors. Management has designated \$471.48 of the Council's year end fund balance for emergency medical assistance.

m. Compensated Absences:

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee multiplied by each employee's current wage rate as of June 30, 2002. An amount is added to this total for social security and medicare taxes. Accrued vacation benefits will be paid from future year's resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

n. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

o. Related Party Transactions:

There were no related party transactions during the fiscal year.

p. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 2 Revenue Recognition - Intergovernmental Grants, Program Service Fees, Public Support, Interest Income, and Miscellaneous Revenues

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received.

Interest income is recorded when it becomes measurable and available in accordance with the modified accrual basis of accounting.

The Council encourages and receives contributions from clients to help offset the costs of the Title IIIB, C-1, and C-2 programs. Utility assistance funds are provided from public donations via utility company programs. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Note 3 Revenue Recognition - Property Tax

The Council on Aging receives funds from a property tax which was adopted by the voters of St. Charles Parish for the purpose of operating and maintaining programs for the elderly in the parish. The property tax was initially passed in 1989 and was renewed again in fiscal year 1999. The tax will be assessed through the year 2007. The property tax, a .98 mill assessment, is levied each year by the St. Charles Parish council on November 15 based upon the assessed value (approximately \$653 million after homestead exemptions) on the previous January 1 of all real property owned within the Parish. The tax becomes due on November 15 and is considered delinquent if not paid by December 31. Most of the property tax revenues are collected during the months of December, January, and February. The St. Charles Parish Council acts as the collection agent for these taxes.

After considering tax exemptions, the net amount of tax payable to the Council on Aging was \$640,114. However, the Council on Aging does not ultimately receive all of this money. Some taxes are not paid by taxpayers. Also, the Parish Council withholds some of the collected amounts to pay for certain costs that are attributable to the Council on Aging. The net proceeds are forwarded to the Council on Aging for its use and are

recorded as revenue when they become measurable and available. In addition, the Council on Aging has accrued, as current year revenues, amounts collected but not remitted by the St. Charles Parish Council as of June 30. The reason the Council on Aging has accrued these amounts is because the Parish Council has deposited the Council on Aging's property tax revenues in a separate account and allows the Council on Aging immediate access to the funds. At June 30, 2002, the St. Charles Parish Council had not remitted \$15,892 of property taxes it had collected on behalf of the Council on Aging. Property tax collections during July and August, 2002, were not accrued by the Council on Aging because the amounts collected were not significant.

The property taxes are collected by the Parish Sheriff's office. Accordingly, there are expenses charged the Council on Aging by the Sheriff's office for providing this service. The amount charged for this fiscal year was \$20,562 which represents the Council on Aging's pro rata share of the pension expense for the Sheriff's office. This type of charge is normal in Louisiana. This expenditure has been included as an "other cost" of the General Fund in the Council's financial statements.

Note 4 Cash and Investments

At June 30, 2002, the Council's cash and investments consisted of the following:

Cash:

Petty cash	\$	100
Checking account – payroll		500
Checking account – operating		<u>17,599</u>
Total cash		<u>18,199</u>

Investments:

Certificates of deposit	142,276
Funds held in LAMP	<u>559,687</u>
Total investments	<u>701,963</u>

Total cash and investments	\$ <u><u>720,162</u></u>
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The Council's operating checking account serves as a consolidated bank account. The consolidated bank account serves as a means for paying all of the bills and depositing most of the money collected by the Council. This account is available for use by all funds. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to temporarily cover any negative cash balances in other funds. The other checking account is used for payroll.

At June 30, 2002, the carrying amount of the Council's checking accounts was \$17,599 whereas the related bank balances were \$30,318. The difference in the carrying amount and bank balances relates primarily to deposits made and checks written which did not clear the bank accounts by June 30, 2002. All bank balances were covered by federal

depository insurance. Accordingly, these balances are classified as "Category 1" credit risks in accordance with GASB Statement 3. Under state law, all bank deposits must be secured by federal deposit insurance, by the pledge of securities owned by the fiscal agent bank, or must be invested exclusively in instruments backed by the government of the United State of America.

State statutes authorize the Council to invest temporarily idle monies in the following:

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts,
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies,
9. Any other investments allowed by state statute for local governments, and
10. Louisiana Asset Management Pool (LAMP).

The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs.

At June 30, 2002, the Council held the following certificates of deposit, listed by financial institution:

<u>Financial Institution</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
FNB USA	<u>\$ 36,000</u>	4.15%	08/12/02
Hibernia National Bank	\$16,276	6.25%	08/07/02
	\$45,000	2.50%	01/28/03
	<u>\$45,000</u>	2.50%	01/28/03
Total Hibernia National Bank	<u>\$106,276</u>		
Total certificates of deposit	<u>\$142,276</u>		

These certificates of deposit represent nonparticipating interest-earning investment contracts as described in GASB Statement 31. Accordingly, they have been reported at cost in these financial statements.

At June 30, 2002, all \$142,276 of the certificates of deposit were covered by federal depository insurance and pledged securities (Category 1 credit risk).

In addition to certificates of deposit, the Council has invested money in the Louisiana Asset Management Pool (LAMP). LAMP, a local government pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. Although LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and LAMP consists of no securities with a maturity of more than 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Note 5 Government Grants Receivable

Government grants receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year-end. Government grants receivable at year-end consisted of the following:

Program	Provider	Fund	Amount
USDA	GOEA	Special Revenue	\$3,044

Note 6 Accounts Receivable

Accounts receivable at June 30, 2002 for General Fund programs consisted of the following:

Program	Provider	Amount
Local Transportation	United Way	\$2,393
Local Transportation	LEMIC – Worker's Comp	<u>29</u>
Total Accounts Receivable		<u>\$2,422</u>

Accounts receivable at June 30, 2002 for Special Revenue Fund programs consisted of the following:

Program	Provider	Amount
Title IIIC	LEMIC – Worker's Comp	\$962
Title IIIB	LEMIC – Worker's Comp	\$907
Title IIIC-1	LEMIC – Worker's Comp	\$119
Title IIIC – 2	LEMIC – Worker's Comp	<u>\$203</u>
Total Accounts Receivable		<u>\$2,191</u>

Note 7 Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

Asset Category	Balance June 30, 2001	Additional	Deletions	Balance June 30, 2002
Vehicles	\$ 302,094	\$ 0	\$ (15,504)	\$ 286,590
Office furniture and equipment	17,479	5,781	(8,231)	15,029
Nutrition equipment	3,539	0	(3,539)	0
Recreation equipment	1,115	0	0	1,115
Buildings & building improvements	<u>25,484</u>	<u>0</u>	<u>0</u>	<u>25,484</u>
Total general fixed assets	<u>\$ 349,711</u>	<u>\$ 5,781</u>	<u>\$ (27,274)</u>	<u>\$ 328,218</u>

Donated assets represent \$2,000 of the June 30, 2001 fixed assets balance, and \$2,000 of the June 30, 2002 balance.

Note 8 Prepaid Expenditures

At year end, prepaid expenditures of \$153 consisted of a wellness expenditure paid from the general fund that will be consumed next year.

Note 9 Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses

incurred in accordance with the Council's regular personnel policy.

Note 10 In-Kind Contributions

The Council on Aging received various in-kind contributions during the year. The senior center meal site locations in Luling and New Sarpy were furnished without rental charge. However, the Council on Aging is responsible for paying the utility bill at these locations. The Council on Aging was furnished the use of Title V workers at no charge and the St. Charles Parish Council allowed the Council on Aging to buy gas from it at wholesale prices. Home repairs for Title IIIB clients were performed by volunteers. These contributions, the values of which were not clearly and objectively determined, have not been reported as revenues or offsetting expenditures in these financial statements.

Note 11 Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 12 Changes in Long-Term Debt

The following is a summary of transactions relating to the Council's long-term debt during the fiscal year:

	Balance June 30, 2001	Additional	Deletions	Balance June 30, 2002
Accumulated, unpaid vacation	\$ 5,220	\$ 3,112	0	\$ 8,332
Total long-term debt	<u>\$ 5,220</u>	<u>\$ 3,112</u>	<u>\$ 0</u>	<u>\$ 8,332</u>

Note 13 Lease Commitments

The Council leases from the St. Charles Parish School Board a building that houses the Council's main office and a cafeteria which is used as a senior center at 626 Pine, Hahnville, Louisiana, and a meal site known as the Norco Adult Learning center in Norco, Louisiana. The terms of this lease required monthly payments of \$1,140 per month. The Council is responsible for cleaning the facilities but the St. Charles Parish School Board

(the lessor) pays for repairs, utilities, and liability insurance. The Council and the School Board have not yet signed another written lease to extend the term of the lease which expired June 30, 1998. Accordingly, until a new lease is negotiated, the Council is leasing these facilities under the same terms as the expired lease on a month-to-month basis. Management expects a new lease will be negotiated with the School Board for essentially the same terms as the expired lease.

During the fiscal year the Council also leased its senior center/meal site in Paradis, Louisiana, from the St. Andrews Episcopal Church. This lease is for \$250 per month plus the cost of utilities and can be terminated with a thirty (30) day written notice from either party. The lessor is responsible for insuring the building and making any repairs.

For the fiscal year rent expenditures were \$16,278. Rent expenditures are included in the operating services category on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

Note 14 Judgments, Claims, and Similar Contingencies

There is no litigation pending against the Council as of June 30, 2002. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

Note 15 Award Programs

The Council participates in a number of federal award programs. These programs are audited in accordance with *Government Auditing Standards*. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs to such an extent as to materially affect the Council's financial position. Any costs that might be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 16 Economic-Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 17 Interfund loans

Because the Council operates its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grants. Such advances create short-term interfund loans. A summary of interfund loans at June 30, 2002 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 8,404	\$ -
Special Revenue Funds:		
Title IIIB	-	907
Title IIIC Admin	-	962
III C, C-1	-	119
IIIC, C-2	-	203
USDA	-	3044
Caregiver	-	3,169
	<hr/>	<hr/>
Total	<u>\$ 8,404</u>	<u>\$ 8,404</u>

Note 18 Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the fiscal year that exceeded the Council's insurance coverage.

Note 19 Purchase Commitments

There were no purchase commitments at June 30, 2002.

Note 20 Interfund Transfers

Operating transfers in and out are listed by fund for the year as follows:

	Funds Transferred From				
	General Fund		Special Revenue Funds		
	Local	PCOA	USDA	Supple. Senior Center	Total
Funds Transferred To					
General Fund:					
Local Transportation	\$ 8,067	\$ 0	\$ 0	\$ 0	\$ 8,067
Total General Fund	8,067	0	0	0	8,067
Special Revenue Funds					
Title III B Services	442,235	21,779			464,014
Title C-1	61,987		9,994		71,981
Title C-2	99,300		26,267		125,567
Senior Center	8,578			4,500	13,078
Total Special Revenue Funds	612,100	21,779	36,261	4,500	674,640
Total Transfers	\$ 620,167	\$ 21,779	\$ 36,261	\$ 4,500	\$ 682,707

Supplementary Financial Information

GENERAL FUND

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

	Programs of the General Fund				
	Local	PCOA	Local Transportation	Safe Harbor	Total
REVENUE					
Property tax	\$ 635,815	\$ -	\$ -	\$ -	\$ 635,815
Intergovernmental:					
Office of Elderly Affairs	-	21,779	-	-	21,779
Public support	1,601	-	-	-	1,601
Investment income	20,914	-	-	-	20,914
Program service fees:					
United Way	-	-	8,892	11,357	20,249
Miscellaneous	-	-	-	-	-
Total revenues	658,330	21,779	8,892	11,357	700,358
EXPENDITURES					
Current:					
Personnel	-	-	9,452	-	9,452
Fringe	-	-	976	-	976
Travel	-	-	35	-	35
Operating services	118	-	5,081	-	5,199
Operating supplies	602	-	1,371	-	1,973
Other cost:					
Expenses Allocated by the Parish	21,519	-	-	-	21,519
Other cost paid directly by the Council	-	-	44	7,853	7,897
Full service contracts	-	-	-	-	-
Meals	-	-	-	-	-
Capital outlay	1,884	-	-	3,897	5,781
Utility assistance	-	-	-	-	-
Lease expense	2,487	-	-	-	2,487
Total expenditures	26,610	-	16,959	11,750	55,319
Excess of revenues over (under) expenditure	631,720	21,779	(8,067)	(393)	645,039
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	8,067	-	8,067
Operating transfers out	(620,167)	(21,779)	-	-	(641,946)
Proceeds from the sale of vehicles	4,125	-	-	-	4,125
Total other financing sources (uses)	(616,042)	(21,779)	8,067	-	(629,754)
Excess of revenues and other sources over (under) expenditures and other uses	15,678	-	-	(393)	15,285
FUND BALANCES					
Beginning of year	709,024	-	-	393	709,417
End of year	\$ 724,702	\$ -	\$ -	\$ 0	\$ 724,702

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

	Title III B Services	Admin.	Title III C C-1	C-2	U.S.D.A.	Senior Center	Audit	Heating Help	Helping Hands	Supple- Senior Center	Title IIID In Home Services	Title IIIE Caregiver	Totals
REVENUE													
Intergovernmental:													
Office of Elderly Affairs	\$ 52,688	\$ 12,797	\$ 28,002	\$ 48,654	\$ 36,261	\$ 25,102	\$ 1,339	\$ -	\$ -	\$ 4,500	\$ 2,135	\$ 5,469	\$ 216,947
Dept. of Transportation and Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Public support (Restricted):													
LP&L Helping Hands (via LACOA)	-	-	-	-	-	-	-	886	6,314	-	-	-	7,200
Client contributions	1,770	-	10,133	25,080	-	-	-	-	-	-	-	-	36,983
Miscellaneous income	-	-	5	-	-	-	-	-	-	-	-	-	5
Total revenues	54,458	12,797	38,140	73,734	36,261	25,102	1,339	886	6,314	4,500	2,135	5,469	261,135
EXPENDITURES													
Current:													
Personnel	246,591	7,341	56,423	65,593	-	-	-	-	-	-	-	-	375,948
Fringe	25,057	853	5,339	6,580	-	-	-	-	-	-	-	-	37,829
Travel	2,217	55	152	235	-	-	-	-	-	-	-	-	2,659
Operating services	118,490	3,624	10,147	26,140	-	38,180	1,339	-	-	-	-	-	197,920
Operating supplies	39,904	878	2,126	6,929	-	-	-	-	-	-	-	-	49,837
Other cost	1,122	46	193	274	-	-	-	-	-	-	-	-	1,635
Full service contracts	85,091	-	-	-	-	-	-	-	-	-	2,135	5,469	92,695
Meals	-	-	35,741	93,551	-	-	-	-	-	-	-	-	129,292
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility assistance	-	-	-	-	-	-	-	719	3,265	-	-	-	3,984
Total expenditures	518,472	12,797	110,121	199,302	-	38,180	1,339	719	3,265	-	2,135	5,469	891,799
Excess of revenues over (under) expenditures	(464,014)	-	(71,981)	(125,568)	36,261	(13,078)	-	167	3,049	4,500	-	-	(630,664)
OTHER FINANCING SOURCES (USES)													
Operating transfers in	464,014	-	71,981	125,568	-	13,078	-	-	-	-	-	-	674,641
Operating transfers out	-	-	-	-	(36,261)	-	-	-	-	(4,500)	-	-	(40,761)
Total other financing sources (uses)	464,014	-	71,981	125,568	(36,261)	13,078	-	-	-	(4,500)	-	-	633,880
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	-	167	3,049	-	-	-	3,216
FUND BALANCES													
Beginning of year	-	-	-	-	-	-	-	-	326	-	-	-	326
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ 3,375	\$ -	\$ -	\$ -	\$ 3,542

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>PCOA</u>			
Transfers to Title III B	\$ 21,779	\$ 21,779	\$ -
Totals	<u>\$ 21,779</u>	<u>\$ 21,779</u>	<u>\$ -</u>
<u>TITLE III B SUPPORTIVE SERVICES</u>			
Personnel	\$ 267,272	\$ 246,591	\$ 20,681
Fringe	28,507	25,057	3,450
Travel	2,272	2,217	55
Operating services	123,501	118,490	5,011
Operating supplies	41,346	39,904	1,442
Other cost	1,382	1,122	260
Full service contracts	<u>88,207</u>	<u>85,091</u>	<u>3,116</u>
Totals	<u>\$ 552,487</u>	<u>\$ 518,472</u>	<u>\$ 34,015</u>
<u>TITLE III C - Area Agency Administration (AAA)</u>			
Personnel	\$ 7,341	\$ 7,341	\$ -
Fringe	853	853	-
Travel	55	55	-
Operating services	3,621	3,624	(3)
Operating supplies	881	878	3
Other cost	<u>46</u>	<u>46</u>	<u>-</u>
Totals	<u>\$ 12,797</u>	<u>\$ 12,797</u>	<u>\$ 0</u>
<u>TITLE III C-1</u>			
Personnel	\$ 42,350	\$ 56,423	\$ (14,073)
Fringe	4,035	5,339	(1,304)
Travel	102	152	(50)
Operating services	7,085	10,147	(3,062)
Operating supplies	1,949	2,126	(177)
Other cost	168	193	(25)
Meals:			
Raw food	17,957	16,083	1,874
Labor and non-edibles	<u>21,948</u>	<u>19,657</u>	<u>2,291</u>
Totals	<u>\$ 95,594</u>	<u>\$ 110,120</u>	<u>\$ (14,526)</u>

(Schedule 3 continued on next page)

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>TITLE III C-2</u>			
Personnel	\$ 63,740	\$ 65,593	\$ (1,853)
Fringe	6,466	6,580	(114)
Travel	216	235	(19)
Operating services	25,795	26,140	(345)
Operating supplies	7,021	6,929	92
Other cost	308	274	34
Meals:			
Raw food	42,565	42,098	467
Labor and non-edibles	52,024	51,453	571
Totals	<u>\$ 198,135</u>	<u>\$ 199,302</u>	<u>\$ (1,167)</u>
<u>USDA</u>			
Transfers to Title III C-1	\$ 8,884	\$ 9,994	\$ (1,110)
Transfers to Title III C-2	26,652	26,267	385
Totals	<u>\$ 35,536</u>	<u>\$ 36,261</u>	<u>\$ (725)</u>
<u>SENIOR CENTER</u>			
Operating services	\$ 40,576	\$ 38,180	\$ 2,396
Totals	<u>\$ 40,576</u>	<u>\$ 38,180</u>	<u>\$ 2,396</u>
<u>AUDIT</u>			
Operating services	\$ 1,339	\$ 1,339	\$ -
Totals	<u>\$ 1,339</u>	<u>\$ 1,339</u>	<u>\$ -</u>
<u>SUPPLEMENTAL SENIOR CENTER</u>			
Transfers to Senior Center	\$ 4,500	\$ 4,500	\$ -
Totals	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -</u>

SCHEDULE OF PRIORITY SERVICES -
TITLE III, PART B - CONTRACT FOR SUPPORT SERVICES

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

		<u>Percent of GOEA Contract</u>
<u>Access (30%)</u>		
Assisted Transportation	\$ -	
Case Management	2,029	
Transportation	320,712	
Information & assistance	15,947	
Outreach	<u>3,763</u>	
Total access expenses	<u>342,451</u>	1000.38%
<u>In-Home (15%)</u>		
Homemaker	33,553	
Chore	-	
Telephoning	-	
Visiting	-	
Adult daycare/health	-	
Personal Care	<u>47,851</u>	
Total in-home expenses	<u>81,404</u>	237.80%
<u>Legal (5%)</u>		
Legal assistance	1,727	5.04%
Non-priority services	<u>92,890</u>	
Total Title III B - Supportive Services Expenditures	518,472	
Less: Participant contributions	(1,770)	
Other public support	-	
Transfers in	<u>(464,014)</u>	
Title IIIB - Supportive Services Contract	52,688	
Less: Transfers of contract allotments	-	
State homemaker	-	
State transportation	<u>(18,456)</u>	
Original contract award net of additional state homemaker and transportation funds and transfers of contract allotments	<u><u>\$ 34,232</u></u>	

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN
GENERAL FIXED ASSETS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

	Balance June 30, 2001	Additional	Deletions	Balance June 30, 2002
<u>General fixed assets:</u>				
Vehicles	\$ 302,094	\$ -	\$ (15,504)	\$ 286,590
Office Furniture and equipment	17,479	5,781	(8,231)	15,029
Nutrition equipment	3,539	-	(3,539)	-
Recreation equipment	1,115	-	-	1,115
Buildings & building improvements	25,484	-	-	25,484
	<u>\$ 349,711</u>	<u>\$ 5,781</u>	<u>\$ (27,274)</u>	<u>\$ 328,218</u>
Total general fixed assets				
<u>Investment in general fixed assets:</u>				
Property acquired with funds from -				
FTA	\$ 216,156	\$ -	\$ -	\$ 216,156
General funds	131,556	1,884	(27,275)	106,164
Title III C-1	-	-	-	-
Title III G	-	-	-	-
Senior Center	-	-	-	-
United Way	-	3,898	-	3,898
In-kind contributions	2,000	-	-	2,000
	<u>\$ 349,712</u>	<u>\$ 5,781</u>	<u>\$ (27,275)</u>	<u>\$ 328,218</u>
Total investments in fixed assets				

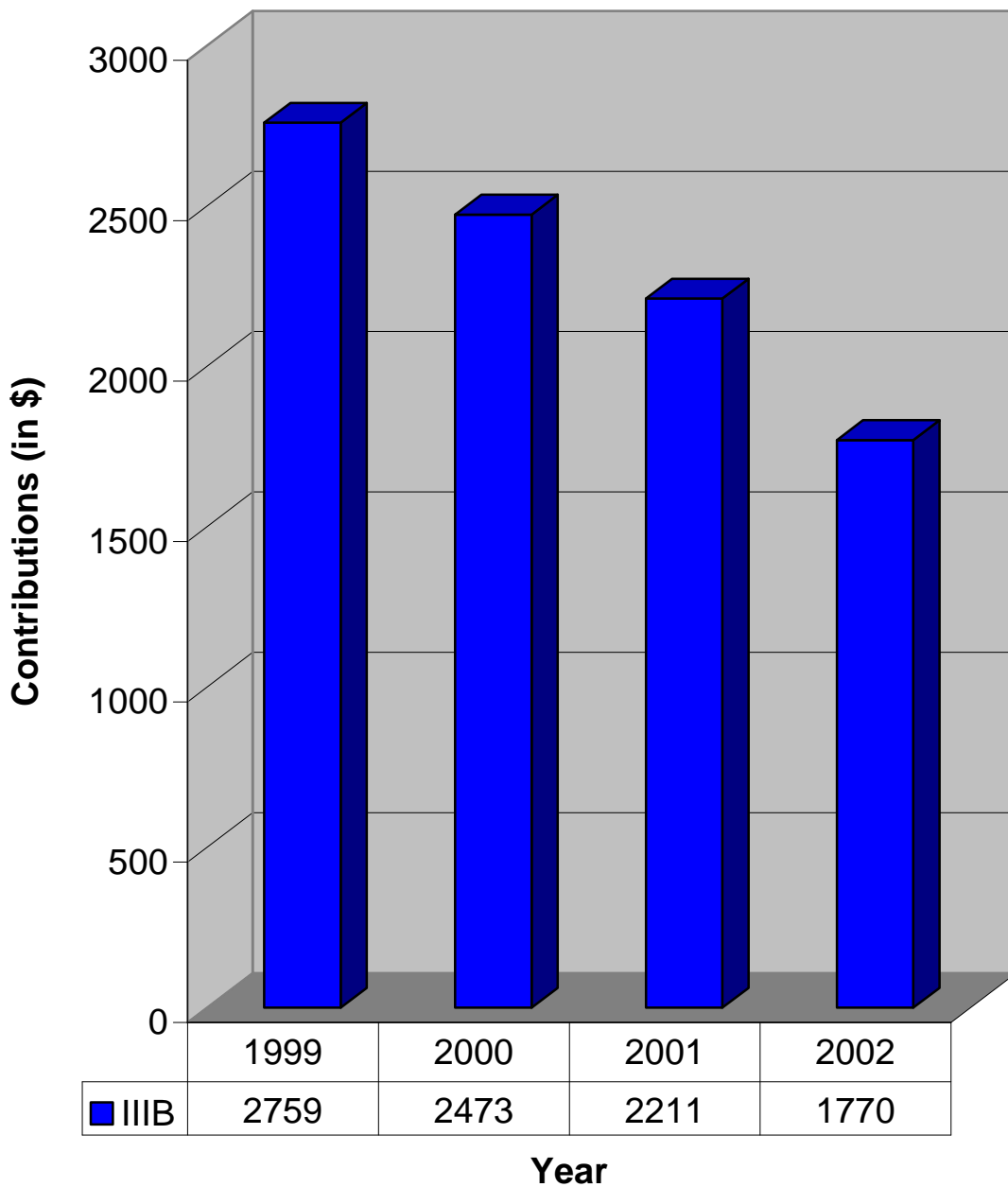
IIIB CONTRIBUTIONS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

With Comparative Totals for the Years Ended June 30, 1999, 2000 and 2001

IIIB Contributions



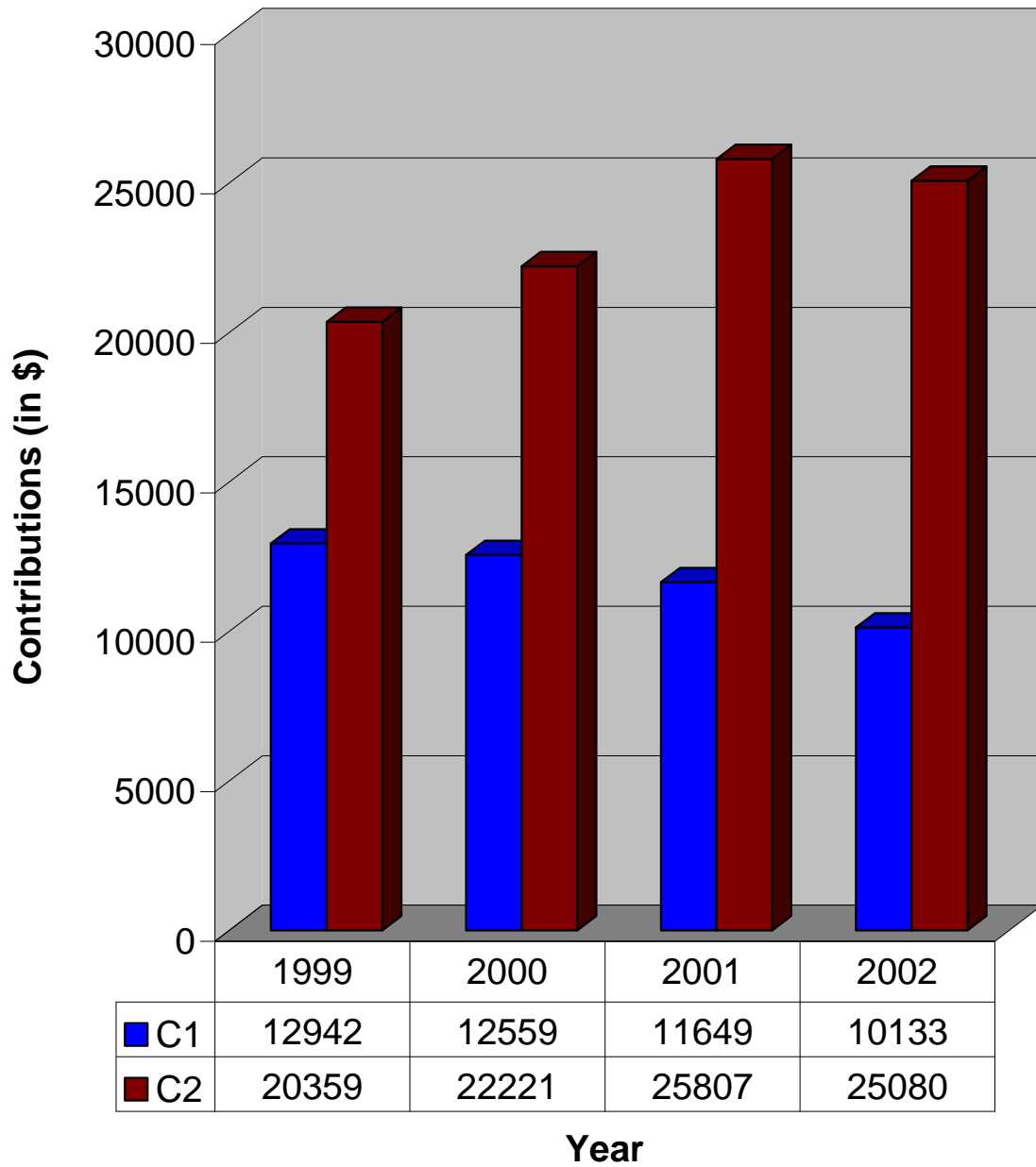
C-1 AND C-2 CONTRIBITUTIONS

St. Charles Council On Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

With Comparative Totals for the Years Ended June 30, 1999, 2000, and 2001

C-1 and C-2 Contributions



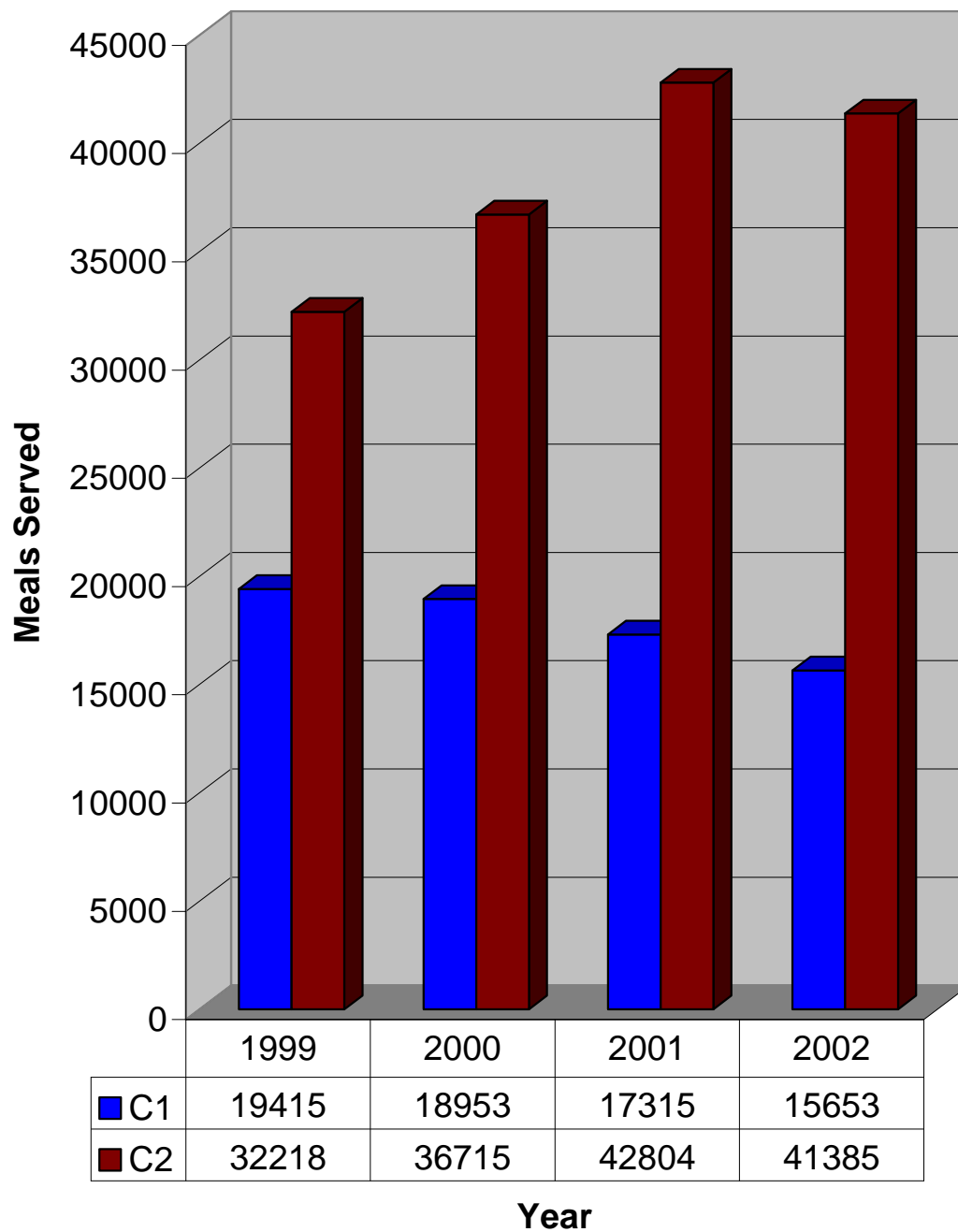
C-1 AND C-2 MEALS SERVED

St. Charles Council On Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

With Comparative Totals for the Years Ended June 30, 1999, 2000, and 2001

C-1 and C-2 Meals Served



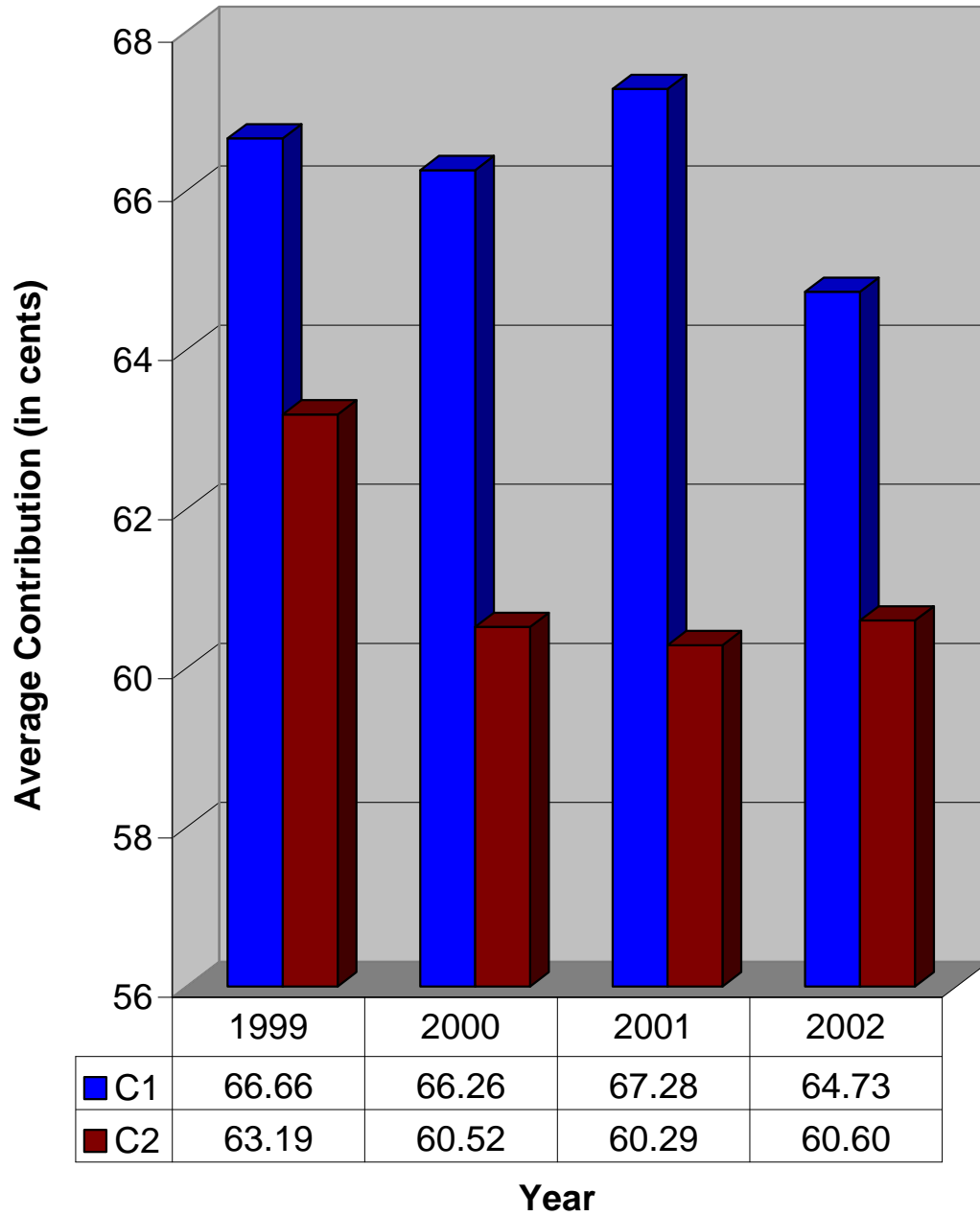
C-1 AND C-2 CONTRIBUTIONS PER MEAL

St. Charles Council On Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

With Comparative Totals for the Years Ended June 30, 1999, 2000, and 2001

C-1 and C-2 Contributions Per Meal



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

We have audited the financial statements of the St. Charles Council on Aging, Inc., Hahnville, Louisiana as of and for the year ended June 30, 2002, and have issued our report thereon dated November 5, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2002 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control:

Material Weaknesses
Reportable Conditions

_____ Yes X No
_____ Yes X No

Compliance:

Compliance Material to Financial Statements

_____ Yes X No

b. Federal Awards.

Federal awards were less than \$300,000. This section is not applicable.

c. Identification of Major Programs.

This section is not applicable.

d. Management Letter.

The auditor issued a management letter relating to this year's audit.

 X Yes _____ No

Section II - Financial Statement Findings

There were no findings that are required to be reported in this section of the report.

Section III - Federal Award Findings and Questioned Costs.

This section is not applicable.

SCHEDULE OF PRIOR YEAR FINDINGS

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

Internal Control And Compliance Deficiencies Material To The Financial Statements.

No findings were reported in the prior year.

Internal Control And Compliance Deficiencies Material To Federal Awards.

No findings were reported in the prior year.

Management Letter.

A management letter was issued in the prior year. The letter reported to management immaterial instances of noncompliance that in our opinion did not warrant being reported in our audit reports. The instances that we communicated are listed below along with the action that management has taken to correct them.

1. LSA-RS 39:1311 requires the governing authority to amend its budget when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more. The general fund's actual expenditures exceeded the budgeted expenditures by \$5,155. This amount is \$597 more than five percent of the budget.

Management's Corrective Action: Management monitored the budget closely for the fiscal year 2002. For the fiscal year 2002, there were no instances where actual expenditures exceeded budgeted expenditures by more than five percent.

2. In regards to funding from the Governor's Office of Elderly Affairs, the GOEA requires the Council on Aging to amend its budgets in cases where actual expenditures for a particular cost category exceed budgeted amounts by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures. Also, expenditures can not legally exceed appropriations on an individual fund level. Schedule 3 of the June 30, 2001 financial report discloses several instances when actual expenditures exceeded the budgets by more than the amount allowed by the GOEA.

Management's Corrective Action: Even though management monitored the GOEA budget closely for the fiscal year 2002, actual expenditures still exceeded budgeted expenditures by more than ten percent for a few expenses. However, most of the GOEA programs receive the majority of their funding from the general fund.

MANAGEMENT'S CORRECTIVE ACTION PLAN

St. Charles Council on Aging, Inc.
Hahnville, Louisiana

For the Year Ended June 30, 2002

To the following oversight agencies for audit:

State: Legislative Auditor of the State of Louisiana; and
Governor's Office of Elderly Affairs.

St. Charles Council on Aging, Inc., Hahnville, Louisiana, respectfully submits the following corrective action plan for the year ended June 30, 2002.

Name, address and contact information of the independent certified public accounting firm:

T.S. Kearns & Co., CPA, PC
501 Canal Boulevard
Thibodaux, Louisiana 70301
985-447-8507
tim.kearns@kearnscpa.com

Audit period: For the year ended June 30, 2002.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES MATERIAL TO THE FINANCIAL STATEMENTS.

There were no findings reported in this section.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES MATERIAL TO FEDERAL AWARDS.

There were no findings reported in this section.

MANAGEMENT LETTER.

Expenditures for particular cost categories and for individual fund levels will continue to be monitored and budgets will be amend when needed.

If you have any questions regarding this plan, please call Margaret Powe at (985) 783-6683.